

Senate File 32 - Introduced

SENATE FILE 32

BY ANDERSON and BERTRAND

A BILL FOR

1 An Act relating to a property assessment adjustment for certain
2 persons, applying income and age limitations, providing a
3 penalty, and including retroactive and other applicability
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **425B.1 Homestead assessed value**
2 **adjustment — purpose.**

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for an
5 adjustment in the assessed value of their homesteads, as
6 provided in this chapter, to prevent an increase in such
7 values.

8 Sec. 2. NEW SECTION. **425B.2 Definitions.**

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "*Assessed value*" means the actual value prior to any
12 adjustment pursuant to section 441.21, subsection 4.

13 2. "*Base assessment year*" means the assessment year
14 beginning in the base year.

15 3. "*Base year*" means the calendar year last ending before
16 the claim is filed.

17 4. "*Claimant*" means a person filing a claim for adjustment
18 under this chapter who has attained the age of sixty-five years
19 on or before December 31 of the base year and is domiciled in
20 this state at the time the claim is filed or at the time of the
21 person's death in the case of a claim filed by the executor or
22 administrator of the claimant's estate.

23 5. "*Homestead*" means the dwelling owned and actually used
24 as a home by the claimant during any part of the fiscal year
25 beginning July 1 of the base year and so much of the land
26 surrounding it, including one or more contiguous lots or tracts
27 of land, as is reasonably necessary for use of the dwelling
28 as a home, and may consist of a part of a multidwelling or
29 multipurpose building and a part of the land upon which it is
30 built. It does not include personal property except that a
31 manufactured or mobile home may be a homestead. Any dwelling
32 or a part of a multidwelling or multipurpose building which is
33 exempt from taxation does not qualify as a homestead under this
34 chapter. A homestead must be located in this state. When a
35 person is confined in a nursing home, extended-care facility,

1 or hospital, the person shall be considered as occupying or
 2 living in the person's homestead if the person is the owner
 3 of the homestead and the person maintains the homestead and
 4 does not lease, rent, or otherwise receive profits from other
 5 persons for the use of the homestead.

6 6. "*Household*", "*household income*", and "*income*" mean the
 7 same as those terms are defined in section 425.17.

8 7. "*Owned*" means owned by an owner as defined in section
 9 425.11.

10 Sec. 3. NEW SECTION. **425B.3 Right to file a claim.**

11 The right to file a claim for an assessed value adjustment
 12 under this chapter may be exercised by the claimant or on
 13 behalf of a claimant by the claimant's legal guardian, spouse,
 14 or attorney, or by the executor or administrator of the
 15 claimant's estate. If a claimant dies after having filed a
 16 claim for adjustment, the amount of any adjustment shall be
 17 made as if the claimant had not died.

18 Sec. 4. NEW SECTION. **425B.4 Claim for adjustment.**

19 1. Subject to the limitations provided in this chapter,
 20 a claimant may annually claim an adjustment of the assessed
 21 value of the claimant's homestead for the base assessment year.
 22 The adjustment claim shall be filed with the county assessor
 23 between January 1 and February 15 immediately following
 24 the close of the base assessment year. However, in case of
 25 sickness, absence, or other disability of the claimant, or
 26 if in the judgment of the county assessor good cause exists,
 27 the county assessor may extend the time for filing a claim for
 28 adjustment through June 30 of the same calendar year.

29 2. The county assessor shall notify the department of
 30 revenue by March 1 of the number of claimants receiving
 31 adjustments under this chapter and the total amount of the
 32 reduced assessed values for the base assessment year.

33 Sec. 5. NEW SECTION. **425B.5 Qualification and adjustment**
 34 **— maximum tax dollars levied.**

35 1. If the household income qualification specified in

1 subsection 2 is met, the assessed value of the claimant's
 2 homestead in the base assessment year shall be adjusted, but
 3 not increased, to equal the assessed value, as such assessed
 4 value may have been adjusted pursuant to this chapter, in
 5 the assessment year preceding the base assessment year. If
 6 the amount of property taxes levied against the adjusted
 7 assessment exceeds the amount of property taxes levied against
 8 the property in the fiscal year for which taxes were first
 9 levied against an adjusted assessment under this chapter, the
 10 treasurer shall subtract the difference from the amount due.

11 2. A claimant is eligible for an adjustment to the assessed
 12 value of the claimant's homestead if the claimant's household
 13 income is twenty-five thousand dollars or less in the base
 14 year.

15 Sec. 6. NEW SECTION. 425B.6 Administration.

16 The director of revenue shall make available suitable forms
 17 for claiming an assessed value adjustment with instructions
 18 for claimants. Each assessor and county treasurer shall make
 19 available the forms and instructions. The claim shall be in a
 20 form as the director may prescribe.

21 Sec. 7. NEW SECTION. 425B.7 Proof of claim.

22 1. Every claimant shall give the department of revenue, in
 23 support of the claim, reasonable proof of:

24 a. Age.

25 b. Changes of homestead.

26 c. Household membership.

27 d. Household income.

28 e. Size and nature of the property claimed as the homestead.

29 2. The director of revenue may require any additional proof
 30 necessary to support a claim.

31 Sec. 8. NEW SECTION. 425B.8 Audit — denial.

32 If on the audit of a claim for adjustment under this chapter,
 33 the director of revenue determines the claim is not allowable,
 34 the director shall notify the claimant of the denial and the
 35 reasons for it. The director shall not deny a claim after

1 three years from October 31 of the year in which the claim was
 2 filed. The director shall give notification to the county
 3 assessor of the denial of the claim and the county assessor
 4 shall instruct the county treasurer to proceed to collect the
 5 tax that would have been levied on the applicable adjusted
 6 assessed value in the same manner as other property taxes
 7 due and payable are collected, if the property on which the
 8 adjustment was granted is still owned by the claimant.

9 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

10 1. A claimant shall expressly waive any right to
 11 confidentiality relating to all income tax information
 12 obtainable through the department of revenue, including all
 13 information covered by sections 422.20 and 422.72. This waiver
 14 shall apply to information available to the county assessor who
 15 shall hold the information confidential except that it may be
 16 used as evidence to disallow the assessed value adjustment.

17 2. The department of revenue may release information
 18 pertaining to a person's eligibility or claim for or receipt of
 19 the assessed value adjustment to an employee of the department
 20 of inspections and appeals in the employee's official conduct
 21 of an audit or investigation.

22 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

23 A person who makes a false affidavit for the purpose of
 24 obtaining an adjustment in assessed value provided for in
 25 this chapter or who knowingly receives the adjustment without
 26 being legally entitled to it or makes claim for the adjustment
 27 in more than one county in the state without being legally
 28 entitled to it is guilty of a fraudulent practice. The claim
 29 for adjustment shall be disallowed in full and property tax
 30 shall be levied on the disallowed adjustment at the rate that
 31 would have been levied but for the adjustment. The director of
 32 revenue shall send a notice of disallowance of the claim.

33 Sec. 11. NEW SECTION. **425B.11 Statutes applicable.**

34 To the extent not otherwise contrary, the provisions of
 35 sections 425.30, 425.31, 425.32, and 425.37 apply to this

1 chapter.

2 Sec. 12. APPLICABILITY. This Act applies retroactively to
3 January 1, 2013, for assessment years beginning on or after
4 that date and to the filing of claims on or after January 1,
5 2014, for adjustments of assessed values.

6 EXPLANATION

7 This bill provides for an adjustment in the assessed value
8 of a homestead if the owner is a person who is 65 or older
9 and whose household income is \$25,000 or less. If those
10 qualifications are met, the assessed value of the homestead
11 upon which property taxes are levied in a fiscal year is the
12 same assessed value as for the previous fiscal year. The
13 bill specifies that assessed value is that value prior to any
14 rollback being applied.

15 The bill provides that a person who makes a false affidavit
16 for the purpose of obtaining an adjustment, knowingly receives
17 the adjustment without being legally entitled to it, or makes
18 claim for the adjustment in more than one county without being
19 legally entitled to it is guilty of a fraudulent practice and
20 is subject to a criminal penalty.

21 The bill applies retroactively to January 1, 2013, for
22 assessment years beginning on or after that date and applies to
23 claims filed on or after January 1, 2014, for the adjustments.